

Before the  
**FEDERAL COMMUNICATIONS COMMISSION**  
Washington, DC 20554

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SEP 15 2000

In the Matter of )

Service Rules for the 746-764 and 776-794 MHz Bands, and Revisions to Part 27 of )  
the Commission's Rules )

Carriage of the Transmissions of Digital )  
Television Broadcast Stations )

Review of the Commission's Rules and )  
Policies Affecting the Conversion to )  
Digital Television )

CS Docket No. 98-120

MM Docket No. 00-83

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

**REPLY COMMENTS OF  
SHOP AT HOME, INC.**

Shop At Home, Inc. ("Shop At Home"), hereby submits its reply comments in response to the Further Notice of Proposed Rule Making, released by the Commission on June 30, 2000 in the above-captioned proceeding, concerning the voluntary relocation of incumbent broadcast licensees from channels 59-69.<sup>1</sup> Shop At Home is the licensee, through wholly-owned subsidiaries, of six television stations including three stations in the Channel 59-69 range: Channel 61, KZJL, Houston, TX; Channel 62, WMFP, Lawrence, MA (serving the Boston market); and Channel 67, WOAC,

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<sup>1</sup> Service Rules for the 746-764 and 776-794 MHz Bands, and Revisions to Part 27 of the Commission's Rules, Memorandum Opinion and Order and Further Notice of Proposed Rule Making, WT Docket No. 99-168, CS Docket No. 98-120 and MM Docket No. 00-83, FCC 00-224 (rel. June 30, 2000) ("FNPRM").

Canton, OH (serving the Cleveland market). This makes Shop At Home the third largest occupant of 60's spectrum in terms of covered population.

## **I. MUST CARRY PROTECTION.**

Shop At Home would like to endorse the portion of the comments submitted by the Sonshine Family Television, Inc. on August 16, 2000, concerning the necessity of the FCC ensuring Must Carry protection for any broadcaster considering a voluntary early switch to a digital signal and relinquishing its Channel 60's analog channel (Please see pp. 6-8 of the Comments submitted by Sonshine Family Television, Inc.). Without such assurances, it is doubtful that a broadcaster would be willing to voluntarily relinquish its analog channel.

Specifically, any broadcaster relinquishing its analog channel should be guaranteed that its digital signal would be carried on the same or better channel the cable system carried its analog channel without interruption. Additionally, the switch from the analog channel to the digital channel should not open an opportunity for cable system operators to relitigate previously litigated must-carry issues for the purpose of reducing the number of communities in which a broadcast station is entitled to carriage.

## **II. SPECTRUM EXCHANGE PROPOSAL**

Shop At Home believes that the plan for a linked secondary auction put forward by Spectrum Exchange Group, LLC together with Allen & Company Incorporated

(herein collectively "Spectrum/Allen"), as detailed in their August 16, 2000, Comments, is the best solution currently available to solve the interference issues in the 700 MHz band, while protecting the interests of incumbent broadcasters and our viewers. We believe that this proposal appears to offer the best chance of providing economic incentives sufficient to foster the voluntary participation of the incumbent broadcasters. Given sufficient voluntary participation by other broadcasters and bidders in the FCC auction, we would expect to participate as well and believe the Spectrum/Allen proposal is the only way that small broadcasters can negotiate effectively with the wireless providers. Without this structure, it is unlikely that one-to-one negotiations would produce spectrum wide results in a meaningful time frame to accomplish the FCC goals of making this spectrum available to the wireless providers and their services to consumers in a timely manner.

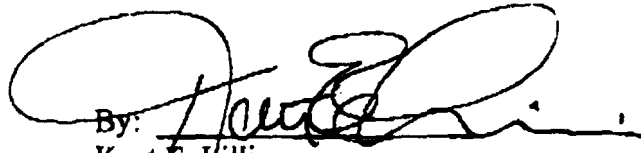
Therefore, we agree with the comments submitted by Spectrum/Allen that the following steps would be helpful. First, the Commission should rule that participation by parties in a secondary auction linked with the FCC auction in the manner outlined by Spectrum/Allen is fully consistent with FCC auction rules. Second, the Commission should institute a procedure whereby requests from incumbent broadcasters for waivers to end over-the-air analog broadcast can be "pre-approved". Third, the Commission should declare the validity of three-way voluntary transition agreements. Fourth, we ask the Commission to establish a procedure whereby an incumbent broadcaster can effect a formal transfer of its rights as the licensee of a station on Channels 59-69.

**III. NO FURTHER DELAY**

Finally, we would restate our earlier comments, that the FCC should not delay the auction any further. It should also act swiftly on the recommendations set out above so that the uncertainties and risks facing incumbent broadcasters who are being asked to consider vacating the 60's spectrum can be minimized.

Respectfully submitted,

**SHOP AT HOME, INC.**

By:   
Kent E. Illic  
President & Chief Executive Officer  
Shop At Home, Inc.  
5388 Hickory Hollow Parkway  
Antioch, TN 37013

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